

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ADA)	APPEAL NO. 07-A-2404
COUNTY ASSESSOR (THOMPSON TRUST))	FINAL DECISION
from the decision of the Board of Equalization of)	AND ORDER
Ada County for tax year 2007.)	

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 19, 2007 in Boise, Idaho before Board Member Lyle R. Cobbs. Board Members Linda S. Pike and David E. Kinghorn participated in this decision. Deputy Assessor David Jauquet and Chief Deputy Tim Tallman appeared for Appellant Ada County Assessor. Trustees James and Karin Thompson appeared for Respondent Thompson Trust. This appeal is taken from a decision of the Ada County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. R0523750400.

The issue on appeal is the market value of residential property.

The decision of the Ada County Board of Equalization is affirmed.

FINDINGS OF FACT

The BOE assessed land value is \$330,000, and the improvements' valuation is \$599,500, totaling \$929,500.

Appellant Assessor requests the improvements' value be increased to \$737,000, totaling \$1,067,000. The Assessor's original assessed land value of \$330,000 was not adjusted by the BOE.

The subject property is located in a relatively new subdivision off Cartwright Road. The subdivision is intended for luxury residences. Subject with an approximately 3,700 square foot residence, has less square footage than other homes in the subdivision. All residences in the subdivision were built in 2003 or later.

Taxpayer appealed the assessed value to the Ada County Board of Equalization (BOE).

At the BOE hearing, the Taxpayer successfully argued the Assessor's value rate of \$293 per square foot of the residence was higher than the cost of new construction. The BOE then reduced the improvements' assessed value from \$737,000 to \$599,500. The BOE decision reflected a value rate of \$250 per square foot.

The County Assessor's current appeal contends the original valuation of \$1,067,000 was accurate and should be reinstated. In support of this claim, a two fold argument was presented. The first argument considered nine (9) paired-sales that occurred within the subdivision and were each located within ½ mile of the subject. The Assessor submitted the sale prices of these properties which had sold twice within the last three (3) years. It was explained the increase in price between the first and second sale indicated the appreciation during the period of time between the repeat sales.

The Assessor then determined the average monthly percent of appreciation, or time adjustment, to apply to older sale prices to bring them current to the January 1, 2007 assessment date. The indicated time adjustment was 1.83% per month.

The time adjustment was also supported by information from the latest Multiple Listing Service (MLS) survey. The MLS comparison estimated the median 2006 increase in home sale prices was about 21%.

On its second argument, the Assessor presented three (3) sales that occurred within two (2) miles of subject. After adjustments for differences between the sale properties and subject, the comparable sales supported the value claim of \$1,067,000.

Respondent Taxpayer maintained the reduced BOE value for subject was still excessive, but that it was more reasonable than the original assessment. It was reported subject's assessment had also been appealed in 2005. At that time, the BOE also reduced the assessed value of the improvements. The argument has focused on the replacement cost per square foot

of the subject improvements with reference to the cost or value of other properties located in the same area.

Respondent presented news quotes from the Idaho Statesman in the last quarter of 2006, noting housing prices were declining. Respondent also objected to the comparable properties presented by the Assessor. Two of the sales were contended to be located in more prestigious neighborhoods with unimpeded views. Respondent maintained that was not the case with residences in subject's subdivision. The Taxpayer then pointed out that the Assessor's \$293 per square foot for subject was higher than the assessment rates on two (2) of the Assessor's comparable properties

Respondents stressed only one of the Assessor's comparable sales (#3) was located in subject's neighborhood. The cost per square foot for that residence was \$239. This residence was also noted to be new while subject's was two (2) years old.

Taxpayer provided a bank appraisal of subject dated in June 2005, which estimated a market value of \$820,000. In that same year the assessor valued the property at \$865,500. Taxpayers claim the subject property has always been assessed excessively.

Taxpayer contended subject should have a lower value because it was the smallest residence in the neighborhood, and the lot had the smallest building envelope too and practically no back yard. A neighboring property includes a 7,000 square foot, multi-story residence. According to Taxpayer, this residence looms over subject making it appear as a beach cottage by comparison.

Taxpayer noted two (2) recent sales within subject's subdivision. Both were new construction and sold after significant reductions in price (\$50,000 and \$75,000). The price per square foot from the first sale was \$258. The second residence sold at \$241 per square foot. Both were significantly lower than the Assessor's \$293 for subject.

In closing, the Assessor claimed the market and paired-sales analysis, along with the MLS information, indicated properties in the subject neighborhood had increased in value between 20 and 25% in 2006. That increase was significantly higher than the 4.5% increase reflected in the value determined by the BOE.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-511(4) provides “In any appeal taken to the board of tax appeals . . . the burden of proof shall fall upon the party seeking affirmative relief to establish that the valuation from which the appeal is taken is erroneous, or that the board of equalization erred in its decision regarding a claim that certain property is exempt from taxation, the value thereof, or any other relief sought before the board of equalization.”

The Board is convinced here that the BOE made a reasonable value decision based on the evidence in record. Both parties have presented support for their respective value cases. We are not persuaded the BOE was in error by determining subject's market value was \$929,500. It is therefor the opinion of the Board of Tax Appeals that the decision of the BOE will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED APRIL 30, 2008